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MEMORANDUM FOR: The Honorable
The Secretary of Defense
Washington 25, D. C.

17 NOV 1949

SUBJECT: Status of Reserve Personnel

1. Included in memoranda to the Personnel Directors of the three armed services, subject: "Assignment of Reserve Personnel," dated 13 July 1948, was the request quoted below:

"3. a. Certain civilians employed by this Agency who hold armed services reserve status are assigned to covert duties, the disclosure of which would jeopardize both the national interests and, in some cases, the lives of the individuals concerned. It is obviously impossible for such personnel to display any interest in reserve programs, or even to provide an address to which official mail can be forwarded. Under such circumstances it is probable that individuals in this category will eventually be dropped from armed service reserve status due to no fault of their own.

"b. In order to avoid injustice to individuals employed by CIA for covert purposes who hold reserve status in your service and who are dropped during such periods of employment due to apparent lack of interest and failure to provide proper address, it is recommended that reserve status be restored to such individuals upon presentation of a certificate signed by the Director of Central Intelligence indicating:

"(1) Inclusive dates of employment for covert purposes.

"(2) That service during such employment has been such as to warrant restoration of reserve status with all prior rights permissible under existing law and regulations."

2. a. Reply from the Department of the Army dated 27 October 1948 indicated general concurrence, subject to age and physical qualifications.

b. Reply from the Department of the Navy dated 8 October 1948 suggested an alternate solution which would involve disclosure to the Navy of the identity of CIA covert intelligence agents. No further action was taken pending the occurrence of a specific case in point.

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c. (1) Reply from the Department of the Air Force dated 11 August 1948 indicated concurrence and provided for the award of 150 point credits per year of covert service for individuals concerned.

(2) The point credit award was reduced by memorandum dated 5 August 1949 to 50 points per year in accordance with the provisions of Public Law 810.

3. The first two specific cases of this nature were sent to the Army on 29 September 1949. Reply from the Army Department dated 11 October 1949 states that no point credits can be awarded to these individuals for the period of their covert service other than the proper proportion of the 15 point credits authorized for each year they were carried in the active reserve.

4. A complete file of all correspondence referred to above is enclosed.

5. a. Each of the armed services has prescribed a different policy for handling the problem given in paragraph 1 above, although the same law applies to the reserve activities of each.

b. The policy prescribed by the Department of the Air Force is the most comprehensive and provides a just and adequate solution.

6. It is recommended that a policy be prescribed by the Department of Defense covering Reserve personnel of each of the armed services employed by this Agency in covert capacities, which will enable them, when appropriate and under circumstances described in paragraph 3 of my memorandum of 13 July 1948, to obtain full restoration of active reserve status without loss of prior rights including continuous service and minimum point credits required for reserve retirement purposes.

Signed - John ER 11/17/49.

R. H. HILLENKOETTER
Rear Admiral, USN
Director of Central Intelligence

10 Encls.
1. Memo to Army from DCI dtd 13 July 1948
2. Memo to DCI from Army dtd 27 Oct 1948
3. Memo to TAG, Army, from DCI dtd 29 Sept 49
4. Memo to TAG, Army, from DCI dtd 29 Sept 49
5. Memo to DCI from Army dtd 11 Oct 1949
6. Memo to Navy from DCI dtd 13 July 1948
7. Memo to DCI from Navy dtd 8 Oct 1948
8. Memo to Air Force from DCI dtd 13 July 1948
9. Memo to DCI from Air Force dtd 11 Aug 1948
10. Memo to DCI from Air Force dtd 5 Aug 1949

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